

AMENDED IN ASSEMBLY JUNE 25, 2014

AMENDED IN SENATE MARCH 27, 2014

**SENATE BILL**

**No. 1228**

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**Introduced by Senator Hueso**

February 20, 2014

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An act to add Chapter 4.8 (commencing with Section 2192) to Division 3 of the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1228, as amended, Hueso. Trade Corridors Improvement Fund.

Existing law, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B at the November 7, 2006, statewide general election, provides for transfer of \$2 billion of bond proceeds to the Trade Corridors Improvement Fund, created by the bond act, for infrastructure improvements along federally designated Trade Corridors of National Significance, to be allocated by the California Transportation Commission to eligible projects, as specified.

This bill would continue the Trade Corridors Improvement Fund in existence for the purpose of receipt and expenditure of revenues from sources other than the bond act. The bill would provide for allocation of these revenues, upon appropriation, by the California Transportation Commission for largely similar purposes as the bond act funds, but would specifically reference, as eligible projects, infrastructure improvements that benefit the state's land ports of entry, *seaports, and airports*. ~~In that regard, the bill would also omit references to infrastructure improvements relating to goods movement to and from airports. The bill would require the commission to consult specified~~

*plans and a specified strategy in determining the projects eligible for funding.*

*The bill, to the extent funds are transferred to the Trade Corridors Improvement Fund from the Greenhouse Gas Reduction Fund, would require projects funded with those funds to be consistent with the purposes of the Trade Corridors Improvement Fund and the guidelines adopted for the fund by the commission and to demonstrate how they will reduce greenhouse gas emissions consistent with the goals and objectives of the Greenhouse Gas Reduction Fund.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares that  
2 international trade in California is an increasingly important  
3 component of the state's \$2 trillion economy. In 2013, California  
4 exported \$168 billion in products, an increase of more than 4  
5 percent over the amount exported in 2012. California has five  
6 major land ports of entry, yielding \$535.9 billion in economic  
7 activity in 2012. California is also home to 11 seaports on over  
8 1,000 miles of coastline. Seaports generate billions of dollars in  
9 economic activity and millions of jobs. Land ports of entry and  
10 seaports create busy borders and harbors with heavy industrial  
11 commerce. It is imperative that safety issues and pollution  
12 generated by trade are mitigated in order to reduce those impacts  
13 and to allow additional growth in international trade.

14 SEC. 2. Chapter 4.8 (commencing with Section 2192) is added  
15 to Division 3 of the Streets and Highways Code, to read:

16  
17 CHAPTER 4.8. TRADE CORRIDORS IMPROVEMENT FUND  
18

19 2192. (a) The Trade Corridors Improvement Fund, created  
20 pursuant to subdivision (c) of Section 8879.23 of the Government  
21 Code, is hereby continued in existence to receive revenues from  
22 sources other than the Highway Safety, Traffic Reduction, Air  
23 Quality, and Port Security Bond Act of 2006. This chapter shall  
24 govern expenditure of those other revenues.

25 (b) The moneys in the fund from those other sources shall be  
26 available upon appropriation for allocation by the California

1 Transportation Commission for infrastructure improvements in  
 2 this state on federally designated Trade Corridors of National and  
 3 Regional Significance, on the Primary Freight Network, and along  
 4 other corridors that have a high volume of freight movement, as  
 5 determined by the commission. In determining the projects eligible  
 6 for funding, the commission shall consult *the state Transportation*  
 7 *Agency's state freight plan as described in Section 13978.8 of the*  
 8 *Government Code, the Air Resources Board's Sustainable Freight*  
 9 *Strategy adopted by Resolution 14-2, and the trade infrastructure*  
 10 *and goods movement plan submitted to the commission by the*  
 11 *Secretary of the United States Department of Transportation and*  
 12 *the Secretary for of the United States Environmental Protection*  
 13 *Agency.* The commission shall also consult trade infrastructure  
 14 and goods movement plans adopted by regional transportation  
 15 planning agencies, adopted regional transportation plans required  
 16 by state and federal law, and the statewide port master plan  
 17 prepared by the California Marine and Intermodal Transportation  
 18 System Advisory Council (Cal-MITSAC) pursuant to Section 1730  
 19 of the Harbors and Navigation Code, when determining eligible  
 20 projects for funding. Eligible projects for these funds include, but  
 21 are not limited to, all of the following:

22 (1) Highway capacity improvements and operational  
 23 improvements to more efficiently accommodate the movement of  
 24 freight, particularly for ingress and egress to and from the state's  
 25 land ports of entry and seaports, including navigable inland  
 26 waterways used to transport freight between *seaports*, land ports  
 27 of ~~entry~~ *entry*, and ~~seaports and between seaports~~, *airports*, and  
 28 to relieve traffic congestion along major trade or goods movement  
 29 corridors.

30 (2) Freight rail system improvements to enhance the ability to  
 31 move goods from *seaports*, land ports of ~~entry~~ *entry*, and ~~seaports~~  
 32 *airports* to warehousing and distribution centers throughout  
 33 California, including projects that separate rail lines from highway  
 34 or local road traffic, improve freight rail mobility through  
 35 mountainous regions, relocate rail switching yards, and other  
 36 projects that improve the efficiency and capacity of the rail freight  
 37 system.

38 (3) Projects to enhance the capacity and efficiency of ~~land ports~~  
 39 ~~of entry and seaports~~ *ports*.

1 (4) Truck corridor improvements, including dedicated truck  
2 facilities or truck toll facilities.

3 (5) Border access improvements that enhance goods movement  
4 between California and Mexico and that maximize the state's  
5 ability to access coordinated border infrastructure funds made  
6 available to the state by federal law.

7 (6) *Surface transportation and connector road improvements*  
8 *to effectively facilitate the movement of goods, particularly for*  
9 *ingress and egress to and from the state's land ports of entry,*  
10 *airports, and seaports, to relieve traffic congestion along major*  
11 *trade or goods movement corridors.*

12 (c) (1) The commission shall allocate funds for trade  
13 infrastructure improvements from the fund *consistent with Section*  
14 *8879.52 of the Government Code and the Trade Corridors*  
15 *Improvement Fund (TCIF) Guidelines adopted by the commission*  
16 *on November 27, 2007, or as amended by the commission, and in*  
17 *a manner that (A) addresses the state's most urgent needs, (B)*  
18 *balances the demands of various land ports of entry and entry,*  
19 *seaports, ~~between large and small land ports of entry and small~~*  
20 *and large seaports, as well as ~~between land ports of entry and~~*  
21 *seaports, and airports, (C) provides reasonable geographic balance*  
22 *between the state's regions, and (D) places emphasis on projects*  
23 *that improve trade corridor mobility while reducing emissions of*  
24 *diesel particulate and other pollutant emissions.*

25 (2) In addition, the commission shall also consider the following  
26 factors when allocating these funds:

27 (A) "Velocity," which means the speed by which large cargo  
28 would travel from the land port of entry or seaport through the  
29 distribution system.

30 (B) "Throughput," which means the volume of cargo that would  
31 move from the land port of entry or seaport through the distribution  
32 system.

33 (C) "Reliability," which means a reasonably consistent and  
34 predictable amount of time for cargo to travel from one point to  
35 another on any given day or at any given time in California.

36 (D) "Congestion reduction," which means the reduction in  
37 recurrent daily hours of delay to be achieved.

38 (d) To the extent moneys from the Greenhouse Gas Reduction  
39 Fund, attributable to the auction or sale of allowances as part of a  
40 market-based compliance mechanism relative to reduction of

1 greenhouse gas emissions, are transferred to the Trade Corridors  
2 Improvement fund, projects funded with those moneys shall  
3 demonstrate how they will reduce emissions consistent with the  
4 goals and objectives of the Greenhouse Gas Reduction Fund.

5 (e) The commission shall allocate funds made available by this  
6 section to projects that have identified and committed supplemental  
7 funding from appropriate local, federal, or private sources. The  
8 commission shall determine the appropriate amount of  
9 supplemental funding each project should have to be eligible for  
10 moneys from the fund based on a project-by-project review and  
11 an assessment of the project's benefit to the state and the program.  
12 Except for border access improvements described in paragraph  
13 (5) of subdivision (b), improvements funded with moneys from  
14 the fund shall have supplemental funding that is at least equal to  
15 the amount of the contribution from the fund. The commission  
16 may give priority for funding to projects with higher levels of  
17 committed supplemental funding.

18 (f) The commission shall include in its annual report to the  
19 Legislature, required by Section 14535 of the Government Code,  
20 a summary of its activities related to the administration of this  
21 section. The summary shall, at a minimum, include a description  
22 and the location of the projects contained in the program funded  
23 by the fund, the amount of funds allocated to each project, the  
24 status of each project, and a description of the mobility and air  
25 quality improvements the program is achieving.